



הבורסה לניירות ערך תל אביב
TEL AVIV STOCK EXCHANGE

14.12.2023

**Re: Plan for the Sale of the Arrangement Shares and the Distribution of
a Special Dividend**

Further to section 1.3.1 of the Description of the Company's Business chapter, which is included in TASE's periodic report for 2022, published on March 28, 2023 (reference no.: 2023-01-033528) (hereafter: "**Section 1.3.1**" and "**the Periodic Report**", respectively), TASE hereby announces as follows:

On December 14, 2023, the Board of Directors of TASE approved a plan relating to the remaining Arrangement Shares (as described below) allocated to former members of TASE as part of 2017 restructuring of TASE, as part of which:

- i. TASE will announce and pay a special dividend in an amount of NIS 2.5 per share to all of TASE's shareholders;
- ii. the five TASE members that hold 17,156,677 Arrangement Shares shall grant an irrevocable power of attorney to Leader & Co. Investment House Ltd., for the sale of the aforesaid shares, for the duration of 12 months commencing on the payment date of the aforesaid dividend, and for each such sale the sale consideration in excess of NIS 5.08 per share will be transferred to TASE, in accordance with the provisions of Amendment No. 63 of the Securities Law.

This plan will conclude the disputes between TASE and part of the aforesaid TASE members concerning their holdings of the TASE shares and their rights for dividends and the resolution of TASE on the discontinuance of TASE's dividend policy and the adoption and execution of the buyback plans.

The consideration that would be transferred to TASE as a result of the plan will be used for investment in technological infrastructure of TASE in accordance with the provisions of Amendment No. 63 of the Securities Law.

For further information regarding the Plan, please see Annex A.

Yours Sincerely,
Ittai Ben Zeev, CEO



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Annex A

Presented below are details relating to the circumstances of the plan and its principles:

1. In September 2017, an arrangement for the restructuring of TASE was completed (hereafter: “**the Arrangement**”), by virtue of the Securities Law (Amendment No. 63), 2017, also known as the TASE Restructuring Law (hereafter: “**Amendment No. 63**”). Under the Arrangement, the TASE members were allotted shares of TASE (hereafter: “**the Arrangement Shares**”) and were allowed a transition period to reduce their holdings to below 5%, which is the maximum rate of holding currently permitted for a TASE member. For additional information, see Section 1.1.1.2 of the Periodic Report. The information that is provided in said report is included herein by way of reference.

To date, among the shareholders of TASE are eight TASE members that hold 17,417,927 Arrangement Shares (above and below: “**the TASE Members Holding Arrangement Shares**”), in aggregate.
2. As part of the transitional provisions of Amendment No. 63, Section 41(L)(2) of Amendment No. 63 (hereafter: “**the Transitional Provision**”) determines that a TASE member that sells the Arrangement Shares for an amount exceeding NIS 5.08 (an amount that was determined in accordance with the definition of the term “value of the sold means of control” in the Transitional Provision and that represents the equity of TASE as of December 31, 2015, hereafter: “**the Base Price**”) is required to transfer to TASE the difference between the actual consideration and the Base Price (hereafter: “**the Excess Consideration**”), where, pursuant to the provisions of said section the amounts of the Excess Consideration are to be used for the reduction of commissions and/or for the development and upgrading of TASE’s systems.
3. It should be noted that over the past two years discussions have been held between TASE and the five TASE Members in relation to their continued holding of the Arrangement Shares, as described in Section 1.3.1 of the Periodic Report.
4. Further to the aforesaid, Leader & Co. Investment House Ltd. (hereafter: “**the Organizer**”) approached TASE and the five largest TASE Members Holding Arrangement Shares, that hold, in aggregate, 17,156,677 shares (hereafter: “**the Selling Shareholders**” and “**the Arrangement Shares**”, respectively), in an attempt to reach binding understandings for the sale of the Arrangement Shares (above and below: “**the Plan**”).
5. Accordingly, the parties have reached the following understandings:
 - 5.1. TASE will distribute a dividend to all its shareholders in an amount that shall not fall below NIS 2.5 per share (hereafter: “**the Entitlement Dividend**”).



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- 5.2. Each of the Selling Shareholders will authorize the Organizer and grant it an irrevocable power of attorney to sell all of the Arrangement Shares that it holds, for a period of 12 months from the payment date of the Entitlement Dividend, and will instruct it that in the event of such sale it would be required to transfer to the Selling Shareholder an amount equal to the Base Price (NIS 5.08, net, such that the Selling Shareholder will not bear any commission), and the remaining consideration for the sale would be transferred to TASE in the name and on behalf of the Selling Shareholder (hereafter: “**the Letter of Instruction**”).
- 5.3. The Organizer will declare and confirm that, in the sale of the Arrangement Shares it will, to the best of its ability, work to maximize the price receivable for the Arrangement Shares.
- 5.4. Until the sale of the Arrangement Shares that they hold, the Selling Shareholders shall be entitled to all the rights conferred by the Arrangement Shares, including the voting rights attached to them and the right to receive additional dividends thereon, if such are distributed.
- 5.5. Subject to the payment of the Entitlement Dividend, the Selling Shareholders and TASE will mutually waive any contention, demand or claim in connection with arguments that had been exchanged between them in relation to the Arrangement Shares, as aforementioned, this within the framework of the Letter of Instruction.
6. To remove any doubt, it is hereby clarified that TASE is not intended to be a party to the sale transactions of the Arrangement Shares, and the Organizer serves as coordinator towards the advancement of the Plan and its realization.
7. Further to the aforesaid, prior to and concurrently with the approval of the Plan, the following actions have been taken:
 - 7.1. On December 10, 2023, TASE applied to the Israel Securities Authority for a pre-ruling. On December 13, 2023, the position of the Israel Securities Authority was received, pursuant to which it will not challenge in TASE’s position that the Plan does not contradict the provisions of Amendment No. 63.
 - 7.2. The Organizer confirmed the receipt of the Letters of Instruction, signed by each of the Selling Shareholders, in relation to all of the Arrangement Shares that they hold.
 - 7.3. The Board of Directors of TASE decided on the distribution of the Entitlement Dividend, in an amount of NIS 2.5 per share, totalling NIS 231,110,120, payable on January 2, 2024. For additional information, see the immediate report that is being published concurrently with the publication of this report.



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8. To complete the picture it should be noted that, as part of the Plan and despite the existence of sufficient liquid funds, the Board of Directors of TASE has approved TASE's engagement in an agreement with a financial institution for the receipt of a loan in an amount of up to NIS 150 million. Further, the Board of Directors of TASE decided that under the circumstances there is no reason to promote a buyback tender offer, as mentioned in section 1. to the TASE's third quarter 2023 results published on November 21, 2023 (reference no.: 2023-01-126483).

The information concerning the sale of the Arrangement Shares that are held by the Selling Shareholders and the receipt of the Excess Consideration in respect thereof constitutes forward-looking information that may be realized in a materially different manner, inter alia, due to their dependence on the market conditions that will exist during the selling period of the Arrangement Shares and on potential changes in the price of the TASE share during the same period.